

Program D: Uncompensated Care Costs Payments

PROGRAM DESCRIPTION

The mission of the Uncompensated Care Cost Payments Program (formerly known as Disproportionate Share [DSH] payments) is to encourage hospitals and providers to serve uninsured and indigent clients. As a result, the client's quality and access to care is improved. Prior to 1989, all uncompensated medical costs (100%) for the uninsured were financed by the State General Fund. As a result of the Uncompensated Care Cost Program, these state general funds are now matched with federal funds to cover 100% of cost.

The goal of the Uncompensated Care Costs (UCC) Payments Program is to reduce reliance on the State General Fund to cover Medicaid expenditures.

This program provides payments to the following: LSU Medical Center, LSU Health Sciences Center Health Care Services Division, DHH Psychiatric Hospitals and Private Hospitals.

Federal law requires that Medicaid UCC payments be made to qualifying hospitals. Under federal law, UCC payments to each UCC hospital may not exceed that individual hospital's uncompensated costs. The state has the flexibility in varying payment methodologies according to type of hospital as long as certain criteria mandated by federal regulations are met.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2001-2002. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

1. (KEY) To encourage hospitals and providers to provide access to medical care for the uninsured and underinsured and reduce the reliance on the State General Fund by collecting a minimum of \$520.9 million to \$580 million annually.

Strategic Link: This objective implements Goal I, Objective I.1 of Program D, Uncompensated Care Costs, of the revised strategic plan: *To encourage hospitals and providers access to medical care for the uninsured and underinsured and reduce the reliance on the State General Fund by collecting a minimum of \$520.9 million to 580 million annually.*

Children's Cabinet Link: This objective is linked to medical services for Medicaid eligible children funded under the Children's Budget.

Explanatory Note: Disproportionate Share Hospitals (DSH) are federal mandatory hospitals serving a larger percentage of Medicaid and/or uninsured patients.

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 11 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
S	Public Disproportionate Share (DSH) in millions	\$762.6	\$791.5	\$744.5	\$746.5	\$746.5	\$746.5 ¹
S	State Match in millions	\$217.1	\$234.9	\$219.5	\$220.0	\$221.7	\$221.7 ¹
K	Amount of federal funds collected (in millions)	\$534.1	\$556.6	\$525.2	\$526.5	\$524.8	\$524.8 ¹

¹ Figures in the Recommended Budget Level column reflect performance standards at a continuation level of funding. The Department of Health and Hospitals will, after sufficient time for analysis of the recommended budget, request an amendment to the Appropriations Bill to correct the performance standards.

GENERAL PERFORMANCE INFORMATION: UNCOMPENSATED CARE COSTS

PERFORMANCE INDICATOR	PRIOR YEAR ACTUAL FY 1995-96	PRIOR YEAR ACTUAL FY 1996-97	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00
Amount of federal funds collected in millions	\$564.2	\$546.2	\$517.9	\$557.7	\$556.6
Number of state facilities in DSH	15	14	15	15	15

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1999- 2000	ACT 11 2000 - 2001	EXISTING 2000 - 2001	CONTINUATION 2001 - 2002	RECOMMENDED 2001 - 2002	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$208,737,734	\$222,951,097	\$222,951,097	\$237,847,674	\$210,499,032	(\$12,452,065)
STATE GENERAL FUND BY:						
Interagency Transfers	26,508,481	300,000	300,000	300,000	300,000	0
Fees & Self-gen. Revenues	1,417,972	0	0	0	0	0
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	584,760,615	555,975,354	555,975,354	587,334,815	522,241,827	(33,733,527)
TOTAL MEANS OF FINANCING	\$821,424,802	\$779,226,451	\$779,226,451	\$825,482,489	\$733,040,859	(\$46,185,592)
EXPENDITURES & REQUEST:						
Salaries	\$0	\$0	\$0	\$0	\$0	\$0
Other Compensation	0	0	0	0	0	0
Related Benefits	0	0	0	0	0	0
Total Operating Expenses	0	0	0	0	0	0
Professional Services	0	0	0	0	0	0
Total Other Charges	821,424,802	779,226,451	779,226,451	825,482,489	733,040,859	(46,185,592)
Total Acq. & Major Repairs	0	0	0	0	0	0
TOTAL EXPENDITURES AND REQUEST	\$821,424,802	\$779,226,451	\$779,226,451	\$825,482,489	\$733,040,859	(\$46,185,592)
AUTHORIZED FULL-TIME EQUIVALENTS: Classified	0	0	0	0	0	0
Unclassified	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

SOURCE OF FUNDING

This program is funded with General Fund, Interagency Transfers and Federal Funds. The Interagency Transfers derive from the Office for Addictive Disorders for an inpatient unit at the Medical Center of Louisiana. In the Existing Budget, the Interagency Transfers derive from the LSU Health Care Services Division. Federal Funds represent federal financial participation in the Medicaid program.

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$222,951,097	\$779,226,451	0	ACT 11 FISCAL YEAR 2000-2001
			BA-7 TRANSACTIONS:
\$0	\$0	0	None
\$222,951,097	\$779,226,451	0	EXISTING OPERATING BUDGET – December 15, 2000
(\$13,651,520)	(\$45,964,715)	0	Other Adjustment - Balance to budgeted UCC expenditures in public agencies
\$1,264,923	\$0	0	Net Means Of Financing Substitutions - Adjustment to reflect the updated Federal Match Rate
(\$65,468)	(\$220,877)	0	Other Adjustment - Balance to target dollars
\$210,499,032	\$733,040,859	0	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$210,499,032	\$733,040,859	0	BASE EXECUTIVE BUDGET FISCAL YEAR 2001-2002
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$210,499,032	\$733,040,859	0	GRAND TOTAL RECOMMENDED

The total means of financing for this program is recommended at 94.1% of the existing operating budget. It represents 93.7% of the total request (\$782,673,861) for this program. The major change to this program relates directly to the changes made to budgets of the state operated public health care providers.

PROFESSIONAL SERVICES

This program does not have funding for Professional Services for Fiscal Year 2001-2002.

\$0 TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

\$32,543,412 Reimbursements to Private, Rural Hospitals for the provision of medical services to patients who are uninsured and ineligible for the State's Medicaid program

\$32,543,412 SUB-TOTAL OTHER CHARGES

Interagency Transfers:

Interagency Transfers for the reimbursement to following public providers for the provision of medical services to patients who are uninsured and ineligible for the State's Medicaid program:

\$113,849,138 LSUHSC - Shreveport

\$509,050,546 LSUHSC, Health Care Services Division

\$76,849,089 Office of Mental Health

\$748,674 Villa Feliciana Chronic Disease Hospital

\$700,497,447 SUB-TOTAL INTERAGENCY TRANSFERS

\$733,040,859 TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

This program does not have funding for Acquisitions and Major Repairs for Fiscal Year 2001 - 2002.

\$0 TOTAL ACQUISITIONS AND MAJOR REPAIRS